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Extract from

Annual Report of the NIS Program
Fiscal Year 1954

16. Inter-agency support of the NIS Program must be reasonably consistent from year to year among the participating agencies to achieve a balanced production effort. The inter-agency allocations necessitate a nicety of production balance and timing so that subsection contributions may fit into complete sections which, in turn, make up the scheduled chapters and supplements. Disruptions in the production flow cause disproportionate setbacks throughout the entire production process. These disruptions are mainly caused by uneven fiscal support for NIS requirements and by the use of NIS capabilities for other purposes. Balanced fiscal support for the NIS Program can be obtained either by means of a centralized budget or a coordinated budget. The centralized budget of CIA now supports the non-defense agencies in the program, and provides adequately for their production responsibilities. The separate budget and appropriations of the Defense Agencies, however, result in uneven capabilities for NIS work from year to year.

17. A coordinated budget for the NIS Program would not involve any change in fiscal support, but would ensure that the Bureau of the Budget and the Congress are aware of the whole program to the end that NIS appropriations are related to production requirements of each agency and earmarked solely for NIS work. In a memorandum of 22 August 1950 to the Secretary of Defense, the Director of Central Intelligence summed up the problem in these words:

> "If the vital basic intelligence requirements of the Government are to be met, continuous fiscal support and stability of personnel organization are imperative."

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